THE SECOND DAY.

24th February 1920.

The Assembly met at 12 noon on Tuesday, the 24th February 1920.

The consideration of the subjects, as per the list distributed to the Members on the previous day, was begun.

I. FINANCE.

1. Desirability of introducing income-tax with a view to lightening the burden of the land-owning public and bringing about an equality in the incidence of taxation in the State.

Mr. V. Velayudhaperumal Pillai (Member, Eraniel taluk) said that as responsible citizens it was their duty to point out new and equitable sources of revenue to Government because of the increasing growth in expenditure and of the incapaciousness of the present sources of ordinary revenue. Of the existing sources of income, *viz.*, Excise, Land Revenue, Forest, Judicial, Registration and Anchal, all except the land revenue were uncertain and varying in regard to the amount expected to go into the coffers of the State. Though the output of labour required for the production of revenue from sources other than land was as much as that involved in the cultivation of land, not one cash was being realised from such landless people who were wealthy and in a position to pay, while the land-holder alone was required to pay tax in more forms than one. The classes of people, the Member had in mind, were factory owners, merchants, Vakils, Government Officers, etc. It was they who best enjoyed the advantages of civic life for the reason that their business was all in towns. That was a distinct advantage they had over the rural people already taxed. Whenever an additional item of income to Government was considered necessary, what was done was to impose a toll-cess which again affected the ryot more than the landless citizen, for, it was the former who wanted to use roads and other means of locomotion for carrying his manure, green leaf, paddy, etc. In the circumstances, the levy of an income-tax would only be just, especially in view of the large profits the merchants and traders were making. In conclusion, the Member contended that, viewed from any standpoint,—the responsibility of the non-agricultural classes, the privileges enjoyed by them at the hands of Government, the necessity of placing all people in the same position in the matter of taxation, or the need for finding new and legitimate sources of revenue,—the imposition of an income-tax was highly necessary.

Dewan's reply.—Noted.

2. Desirability of appointing a Commission consisting of officials and non-officials to consider and report on the measures to be adopted by Government to improve the financial condition of the State on the lines indicated in the report of the Indian Industrial Commission.

Mr. M. Ousep Mathai (Member, Trading Classes, Alleppey) said that, in view of the present economic condition of the Indian empire, every endeavour was being made to tap all sources of revenue and enhance the material welfare of the people and that the appointment of the Indian Industrial Commission and the steps taken by the authorities in British India in pursuance of their declared policy to advance the material progress in all ways were signs that have not been lost sight of in Travancore. For, the recent development of the Agricultural Department and the organisation of the Industrial Department were indications of such a progressive policy in Travancore. The Member disapproved of the appointment of Dr. Barker as Head of the Industrial Department and observed that enough advantage had not

LIBRARY ARCHIVES Kerala Legislative Assembly